



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of:)	No. D06-327
)	
FEDERAL HOME LIFE)	CONSENT ORDER
INSURANCE COMPANY,)	IMPOSING A FINE
)	
An Authorized Insurer.)	
)	

Findings of Fact:

1. Federal Home Life Insurance Company ("Federal Home") is authorized to conduct insurance business in Washington State. It issues individual health insurance.
2. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 ("MMA") required the company to file a Medicare Supplement Amendment removing the prescription drug benefit for those insureds wishing to participate in Medicare Part D by 1/1/06. WAC 284-66-243(2) requires an issuer to file any riders or amendments to policy or certificate forms to delete outpatient prescription drug benefits as required by the MMA with the commissioner in the state that the policy or certificate was issued.
3. The company filed the amendment nearly six months late, on May 22, 2006.
4. However, this filing was missing a form number, which was requested by OIC on several occasions before the company supplied the requested clarification on June 29, 2006.
5. 46 consumers were on the plans for which the Company failed to file amendments.

Conclusions of Law:

1. The Company's failure to timely file its Medicare Supplement Amendments violated the MMA and WAC 284-66-243(2).

2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority for violation of the insurance code.

Consent to Order:

Federal Home Life Insurance Company consents to the following, in order to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. Federal Home Life consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with the applicable laws of the State of Washington, and waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner related to the subject matter of this order.
2. Within thirty days of entry of this Order, Federal Home Life Insurance Company will pay to the OIC a fine in the amount of \$11,500.00 (eleven thousand five hundred dollars).
3. If the fine is not timely paid in full, this will constitute grounds for the suspension or revocation of the certificate of authority held by Federal Home in the State of Washington. It will also result in a civil action being filed by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine.

Executed this 20th day of November, 2006.

FEDERAL HOME LIFE INSURANCE COMPANY

By: 

Printed Name: Matthew W. Cooper

Printed Corporate Title: Asst. Secretary

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Federal Home Life Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$11,500.00 (eleven thousand five hundred dollars).

2. Failure to timely pay the fine shall constitute grounds for suspension or revocation of the certificate of authority held by Federal Home Life Insurance Company in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to collect the fine.

Executed this 22nd day of November, 2006

MIKE KREIDLER
Insurance Commissioner

By: Andrea L. Philhower

Andrea L. Philhower
Legal Affairs Division